

U.S. Department of Justice
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Western District of New York

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PRESS RELEASE

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DEPARTMENT OF JUSTICE SEEKS CONTRACTS WITH PRIVATE COUNSEL

Kathleen M. Mehlretter, Acting United States Attorney for the Western District of New York, announced that the Department of Justice is seeking proposals from private counsel interested in entering into contracts with the Department to collect delinquent Federal debts in the Western District of New York. The Department currently has a contract with one law firm in this judicial district, but this contract will expire later this year.

The Department has been running its private counsel pilot program in some 16 federal judicial districts for several years. The private counsel program began as a pilot project pursuant to the Federal Debt Recovery Act. The Attorney General now has permanent authority under 31 U.S.C. § 3718(b) to contract with private counsel in as many, or as few, Federal judicial districts as he deems appropriate.

Ms. Mehlretter explained that private lawyers and law firms receiving contract awards will help the Department collect delinquent unsecured Federal debts such as defaulted student loans, overpayments to veterans, defaulted Small Business Administration loans, etc. Debts secured by real estate and chattels under programs

administered by the Department of Agriculture and other Federal agencies will also be referred to private counsel for foreclosure in this district.

Private counsel who win contracts will be authorized to sue Federal debtors on behalf of the United States in the United States District Court for the Western District of New York. The Department will pay private counsel on a contingency fee basis when they are asked to collect unsecured debts. Private counsel who win contracts will also be authorized to initiate mortgage foreclosure proceedings in Federal court. The Department will pay private counsel handling foreclosure cases a flat rate per case, plus reimbursements for specified expenses.

Lawyers and law firms interested in this business will be expected to bid the contingency fees they propose to charge the Department to collect unsecured debts, as well as the flat fees they propose to charge for foreclosure proceedings.

To be eligible to bid on these contracts, private counsel must be licensed to practice law in the State of New York and regularly engaged in the private practice of law in the district. They must also be admitted to practice before the United States District Court for this judicial district.

The solicitation for private counsel services will be distributed solely through the General Service Administration's electronic posting system (EPS) website. Counsel interested in obtaining a Request for Proposals (RFP) from the Department to enable them to bid on this debt collection business should visit <http://www.fbo.gov> (copy and paste into your URL) and click on Find Business Opportunity to search for Reference No.DJJ-R-05-RFP-0356. Paper copies of the RFP will not be available. The EPS website will provide downloading and other instructions, including information on how

counsel can register for automated notifications and updates to this solicitation.

The RFP will contain instructions about how to prepare bids and as much information as possible on the number and dollar amounts of the debts that may be referred to private counsel in the District. Counsel with any questions about this program may contact Contracting Officer Tim Spencer at (202) 307-1956.